Dr. Schumpeter is in advance of many other writers in appreciating two classes of truth, one of which, looking at tools, etc. in detail, asserts that each of them involves waiting for its own particular fruits, while the other looks at capital as a great complex of productive instruments and on labor as an organized operation, and asserts that out of it all emerge products fully finished as fast as the labor is applied. He is in a position to discuss in a broad way the full part played, on the one hand, by time as an element in production and, on the other, by capital and organization as, in a sense, the antitheses of time and the synchronizers of labor and consumption. Such actual facts as are at the basis of the brilliant studies of von Böhm-Bawerk by no means contradict other truths concerning the action of capital and organization in maintaining a constant flow of consumers' wealth and in obviating the necessity for allowing an interval to elapse after the collective labor is applied before the fruits of it become available. That work with capital produces *more* than it would do without it and that it gets an *immediate* return instead of a distant one are facts which do not admit of contradiction, though modes of stating them will continue to differ.

Professor Schumpeter's work discusses commercial crises and treats them very properly as dynamic phenomena—the outcome of a certain unbalanced and uneven progress. It draws a distinction between the kind of change which presents no serious problems for solution and the kind which creates such problems. The mere growth of population and enlargement of the fund of capital would call for adaptations which would take place automatically and steadily, while the coördinations made by entrepreneurs cannot act evenly and extend throughout the whole system at once. To the irregularities in the action of such causes crises are chiefly due. In that part of the book which deals with this subject, as well as in other parts, the reader will find himself in a world of reality abounding in critical issues on which the work sheds welcome light.

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Laws of Wages. An Essay in Statistical Economics. By Henry Ludwell Moore. (New York: The Macmillan Company. 1911. Pp. viii, 196.)

The author of this essay begins with a number of economic

theories which have been arrived at deductively, and endeavors to test them by statistical data.

The statistical data studied indicate some relation between the cost of the means of subsistence and the wages of unskilled labor, though the coefficient of correlation is only $r = .306$. The relation to the "standard of life," as the expression is used by the author, is considerably closer, the net coefficient (after elimination of the money prices factor) being $\rho = 628$. In this case, the statistics collected show nothing regarding the truth or falsity of the theory that wages depend on the standard of living. The phrase "standard of living," in economic theory, means that amount of comforts *without which wage-workers will not reproduce their numbers.* Here it seems to mean the amount of comfort which at the time wage-workers happen to enjoy. That the comforts so enjoyed are in some relation to the wages received is what we should expect to find but the statistics given have no bearing upon the standard of living in the sense in which this standard is a determinant of wages, though the author, while admitting too low a correlation to assert cause and effect, appears to think it is that problem he is discussing. The wages of skilled laborers and of unskilled move in unison, the degree of the association being measured by $\rho = .757$.

In a chapter on wages and the productivity of labor, it is shown by statistics drawn from the history of coal mining in France that there is a very high degree of correlation ($r = .843$) of wages and the value of the daily product of labor. It is also shown, so far as the industry of coal mining in France is concerned, that the fluctuation in the laborer's share of the product varies with the fluctuation in the amount of machine power per laborer, and therefore, presumably, with the relative amount of capital employed.

Perhaps the most interesting chapter is that entitled, Wages and Ability. According to the marginal productivity theory of wages, each wage-earner, and group of wage-earners, receives wages in proportion to his or their productivity, and, therefore, according to efficiency or ability. If this is a true theory, then the distribution of wages in any community, can be plotted on a curve similar to the curve showing distribution of ability. This the writer finds it possible to do in the field investigated.

Statistical study of strikes reveals the fact that there is considerable correlation between success of strikes and control of an

industry by labor unions. This does not prove that success is caused by union control, for success depends also, as the writer points out, on the subject of dispute, and it is possible that the established union is less apt to call strikes when the probabilities of success are low. Strikes for recognition of union and union rules are most likely to be successful.

A study of wages in relation to the concentration of industry (here the figures are drawn from Italian statistics) shows that in establishments of all sizes there is a rapid rise up to the ages of twenty-five to thirty-five years, succeeded by a slow decline, but that in the larger establishments the wages are higher at all ages, while the descent from the maximum is more rapid as old age approaches. This the writer believes to be explainable by the productivity hypothesis. The large establishments, by virtue of their great investment in plant, find it uneconomical to employ any but the most efficient, to whom high wages must be paid. Also, in the large establishments, there are fewer days a year of unemployment, the amount of employment from year to year is less subject to variations, and the working day is shorter.

The last chapter brings together, in a brief general discussion, the conclusions arrived at. On the whole, the book is a stimulating piece of statistical work. It will be fortunate for economic science when it can avail itself of a large mass of such statistical conclusions, both as verification of deductive reasoning and as data for further inference.

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History of Economic Thought. A Critical Account of the Origin and Development of the Economic Theories of the Leading Thinkers in the Leading Nations. By Lewis H. Haney. (New York: The Macmillan Company. 1911. Pp. xvii, 567. $2.00.)

Professor Haney has undertaken a task that no American economist has heretofore dared to attempt—a history of economic thought. For the courage which inspired such an effort, for the labor which its execution involved, there can only be high praise. It is a fine thing to have attacked Parnassus, even though the summit be not scaled.

The nucleus of the book is an unpublished manuscript by Pro-